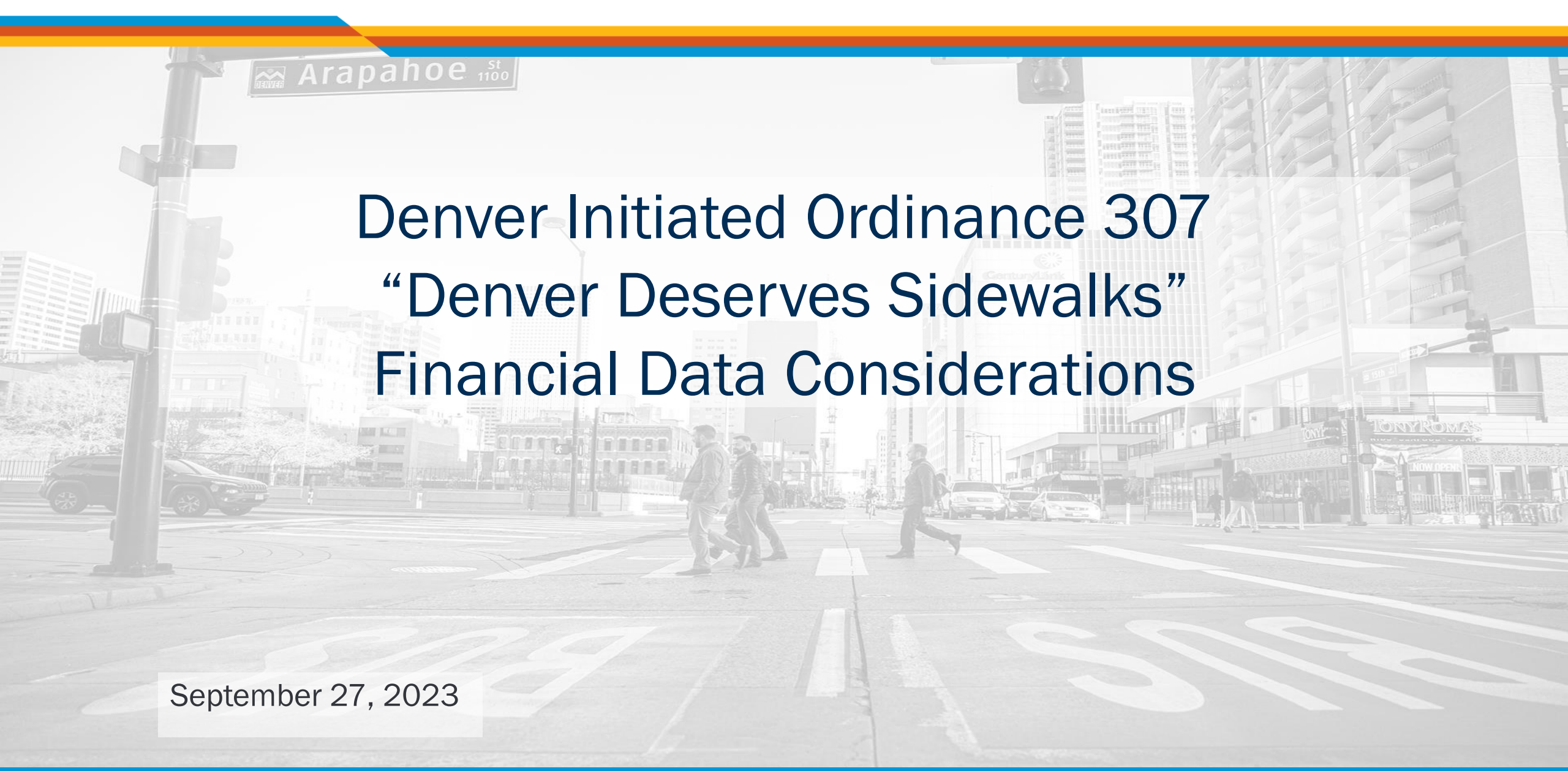


Denver Initiated Ordinance 307 "Denver Deserves Sidewalks" Financial Data Considerations

September 27, 2023

Financial Overview

1) Fee-Based Program Funding
2) Utilize Enterprise Fund
3) Funding used must be used exclusively for program
    a) Can only receive ≤ 10% from outside sources (e.g. Denver General Fund)
    b) Has bonding authority (based on financial track record)

Financial Assumptions

- Cost Considerations:
  - Program Costs
  - Debt Service

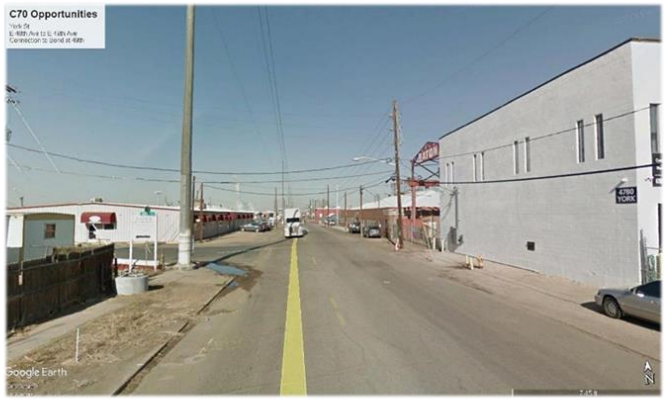
- Other Program Cost Elements
  - Barricading
  - Surveying
  - Traffic Control Measurements
  - Administrative
    - Procurement
    - Contracting
    - Invoice Processing
    - Customer service
  - Planning and design
  - *Real Estate*

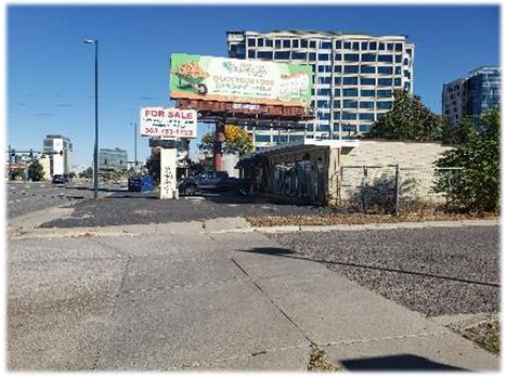
Inflationary Challenges

- The average quarterly Colorado Construction Cost Index (CCI) for concrete pavement work, published by CDOT, increased by approximately **56 percent between 2015 and 2022**.
- Similarly, the Mortensen Construction Cost Index for Denver, Colorado, increased by **60 percent from 2015 to 2023**.
- Possibility of continuing material cost escalations will need to be reflected in program cost estimate, which in turn will require increases the rates charged to citizens and/or an extension of the anticipated implementation timeline
- Current ordinance limits fee increases to no more frequently than every 5 years, limited to Consumer Price Index, Urban (CPI-U) rate increases

Right-of-Way Acquisition Costs

Sidewalk construction/reconstruction will likely require significant real-estate acquisition





Other Changes to Existing Infrastructure

- ADA requirements – the City will need to apply accessibility standards during new construction or alterations of existing facilities
- Bridge alteration/reconstruction
- Curb and gutter construction/alteration
- Forestry and landscaping
- Retaining wall construction/relocation
- Utility pole relocation

Financial/Administrative Costs

- Debt financing (bonding) is necessary to bridge the gap between the revenues generated through the fees charged to residents and the ongoing sidewalk program costs. Those costs include:
  - Bond issuance costs
  - Repayment of principal/interest
  - Start-up costs (financed from General Fund)

Concrete Cost/Availability

- Recent high demand/restricted supply of concrete has created issues for construction projects

- City demand may require investment in city concrete production facility

Future Data Needs

Current State

- No private Roads, no interstates
- ROW Conveyances removed

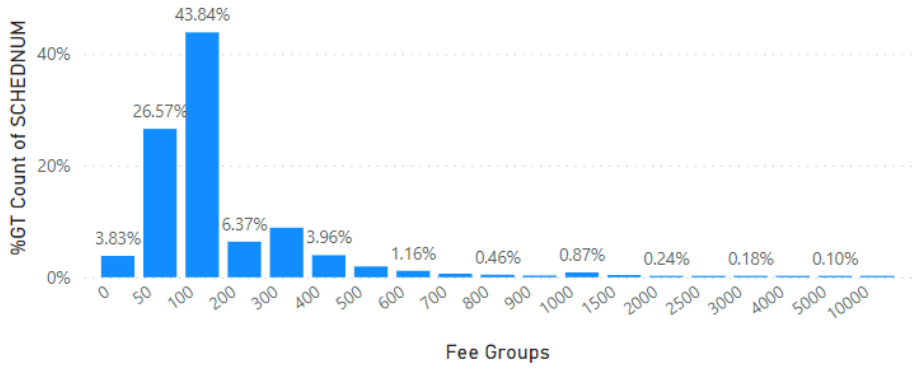
$36.70M
Sum of Total Adj Fee

$114
Median of Total Adj Fee

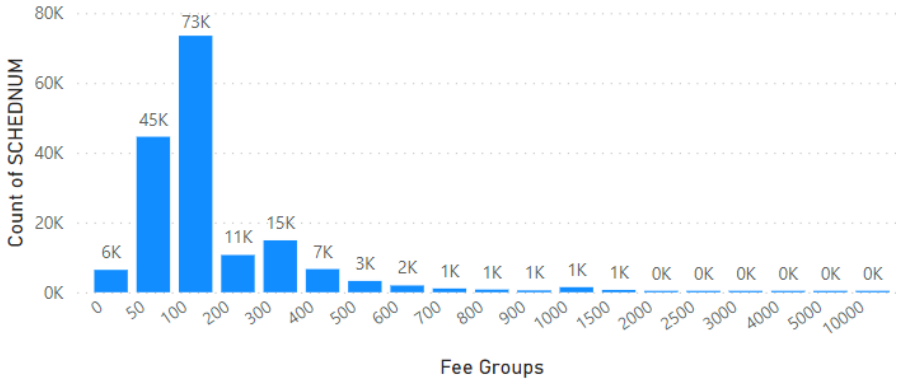
$218.94
Average of Total Adj Fee

SCHEDNUM	Frontage Max billed length	Sum of Total Fee	Sum of Total Adj Fee
615201001999	6449	$50,444	$40,355
119300032000	2514	$27,063	$27,063
9100148000	2444	$21,253	$21,253
236200005000	2698	$19,993	$19,993
116300019000	2716	$18,866	$18,866
110100296000	4339	$16,360	$16,360
229404091000	1534	$15,984	$15,984
126200008000	2652	$15,194	$15,194
21100020000	2332	$14,597	$14,597
236300001000	2716	$14,334	$14,334
236100003000	2597	$13,946	$13,946
116500082000	2063	$13,911	$13,911
Total		**$38,453,121**	**$36,702,280**

Distribution of Discounted Fees by %



Distribution of Discounted Fees by Count



Questions?